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# Message Text

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15
ACTION NEA-10

INFO OCT-01 ISO-00 L-03 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 STR-04 /060 W
---------- 071523
R 300608Z JUL 76
FM AMCONSUL BOMBAY
TO AMEMBASSY DACCA
INFO SECSTATE WASHDC 6625
AMEMBASSY NEW DELHI
AMCONSUL CALCUTTA

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EO 11652: NA
TAGS: EFIN IN
SUBJ: CITIBANK LOAN CLAIMS IN BANGLADESH

REF: DACCA 3455

1. WE SPOKE TO ALAN H WILLIAMS, VICE PRESIDENT (HARDING-JONES TRANSFERRED) AND S.K.JAIN, CREDIT ADMINISTRATION OFFICER, CITIBANK, BOMBAY (HEAD OFFICE FOR ALL-INDIA OPERATIONS). THEY AGREE THAT CITIBANK DOES NOT APPEAR TO QUALIFY FOR SETTLEMENT UNDER THE NATIONALIZATION COMPENSATION PROCEDURES BUT WILL FOLLOW WHATEVER ADVICE THEIR DACCA SOLICITOR GIVES. THE FOLLOWING IS THE PICTURE THEY GIVE OF CITIBANK CLAIMS.

2. THE PRINCIPAL OF THE LOAN TO RALLIS HAD BEEN FULLY REPAID TO AN ACCOUNT IN GRINDLAY'S BANK (THE INTEREST IS STILL OUTSTANDING). ABOUT THREE MONTHS AGO GOB HAD THE FUNDS TRANSFERRED TO UTTARA, A NATIONALIZED BANK, IN A NON-RESIDENT ACCOUNT DENOMINATED FNCB, KARACHI. THE FUNDS ARE STILL BLOCKED AND CANNOT BE USED EVEN FOR CITIBANK LOCAL EXPENSES SUCH AS PAYMENTS TO THEIR DACCA SOLICITOR. CITIBANK HAS ASKED ITS SOLICITOR TO ATTEMPT TO HAVE NAME OF ACCOUNT CHANGED FROM FNCB, KARACHI,
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TO CITIBANK, NEW YORK, IN HOPE OF

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AVOIDING PAKISTAN DEBT CLAIMS.

3. THE LOANS TO JESSORE JUTE AND GALFRA-HABIB ARE STILL OUT-
STANDING. WILLIAMS HAS TENTATIVE PLANS TO VISIT DACCA IN AUGUST
TO BEGIN NEGOTIATIONS WITH THE FIRMS TO WORK OUT A REPAYMENT
SCHEDULE. IF THE NATIONALIZED FIRMS REFUSE TO HONOR THE DEBT,
CITIBANK WILL FILE SUIT.

4. CITIBANK TOOK SHARES IN JESSORE JUTE AS COLLATERAL SECURITY
FOR THAT LOAN BUT FAILED TO HAVE THE SHARES ENDORSED TO THE NAME
OF CITIBANK. AT FIRST THEY THOUGH THEY COULD FILE A CLAIM UNDER
THE COMPENSATION PROCEDURE FOR SHAREHOLDERS, BUT THEY HAVE SINCE
BEEN ADVISED THAT THEY HAVE NO CLAIM SINCE THE SHARES WERE NEVER
TRANSFERRED IN THE BANK'S NAME.

5. WE ARE POUCHING TO DACCAAND DEPARTMENT COPIES OF
CITIBANK DATA SHEET ON LOANS.
COURTNEY

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# Message Attributes

**Automatic Decaptioning:** X
**Capture Date:** 01 JAN 1994
**Channel Indicators:** n/a
**Current Classification:** UNCLASSIFIED
**Concepts:** CLAIMS, NATIONALIZATION, DEBTS
**Control Number:** n/a
**Copy:** SINGLE
**Draft Date:** 30 JUL 1976
**Decaption Date:** 01 JAN 1960
**Decaption Note:**
**Disposition Action:** RELEASED
**Disposition Approved on Date:**
**Disposition Authority:** saccheem
**Disposition Case Number:** n/a
**Disposition Comment:** 25 YEAR REVIEW
**Disposition Date:** 28 MAY 2004
**Disposition Event:**
**Disposition History:** n/a
**Disposition Reason:**
**Disposition Remarks:**
**Document Number:** 1976BOMBAY01988
**Document Source:** CORE
**Document Unique ID:** 00
**Drafter:** n/a
**Enclosure:** n/a
**Executive Order:** N/A
**Errors:** N/A
**Film Number:** D760294-0983
**From:** BOMBAY
**Handling Restrictions:** n/a
**Image Path:**
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**Legacy Key:** link1976/newtext/t1976076/aaaaaexc.tel
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**Locator:** TEXT ON-LINE, ON MICROFILM
**Office:** ACTION NEA
**Original Classification:** LIMITED OFFICIAL USE
**Original Handling Restrictions:** n/a
**Original Previous Classification:** n/a
**Original Previous Handling Restrictions:** n/a
**Page Count:** 2
**Previous Channel Indicators:** n/a
**Previous Classification:** LIMITED OFFICIAL USE
**Previous Handling Restrictions:** n/a
**Reference:** 76 DACCA 3455
**Review Action:** RELEASED, APPROVED
**Review Authority:** saccheem
**Review Comment:** n/a
**Review Content Flags:**
**Review Date:** 07 JUN 2004
**Review Event:**
**Review Exemptions:** n/a
**Review History:** RELEASED <07 JUN 2004 by ElyME>; APPROVED <04 OCT 2004 by saccheem>
**Review Markings:**

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US Department of State
EO Systematic Review
04 MAY 2006

**Review Media Identifier:**
**Review Referrals:** n/a
**Review Release Date:** n/a
**Review Release Event:** n/a
**Review Transfer Date:**
**Review Withdrawn Fields:** n/a
**Secure:** OPEN
**Status:** NATIVE
**Subject:** CITIBANK LOAN CLAIMS IN BANGLADESH
**TAGS:** EFIN, IN, BG, CITIBANK
**To:** DACCA
**Type:** TE
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006